

COMMODITIES		ASIAN MARKETS		CURRENCIES							
DSEX	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	JPY
0.04%	0.11%	\$1,322.20	\$44.26	0.33%	1.09%	0.17%	0.87%	77.80	84.38	100.93	0.71
4,551.07	8,517.90	(per ounce)	(per barrel)	27,803.24	16,627.25	2,945.35	3,012.43	BUY TK	87.80	104.33	0.75
				Friday closings				STANDARD CHARTERED BANK			
								SELL TK			

আপনার বিআরটিএ ফি এবং সকল ইউটিলিটি বিল এসআইবিএল এর যে কোন শাখার মাধ্যমে জমা দিন

* ফ্রি অনলাইন সেবা
যে কোন প্রয়োজনে ০৯৬৯২০০৯২২

star BUSINESS

DHAKA MONDAY JULY 25, 2016, SHRABAN 10, 1423 BS

BTRC plans to borrow €157m from HSBC for satellite

MUHAMMAD ZAHIDUL ISLAM

The telecom regulator yesterday sent a proposal to the government to borrow 157 million euros from HSBC for the country's first space satellite.

The interest rate for the loan will be Libor plus 1.51 percent. The London interbank offered rate is considered to be one of the most important interest rates in finance.

Bangladesh Telecommunication Regulatory Commission sent its recommendation to the telecom division for its final approval on the loan. The proposal will also need vetting from the law ministry.

"We hope the approval will come within a short time and we can sign the loan agreement by the first half of August," said BTRC Chairman Shahjahan Mahmood.

The money will be spent on the spacecraft's design and installation with insurance coverage, according to senior BTRC officials.

The BTRC has already paid about 71 million euros in three instalments to Thales Alenia Space, a French aerospace manufacturer, by borrowing money from a local bank. The money will be adjusted after getting the loan from HSBC.

The fourth instalment has to be paid by August 22 and the BTRC chief is very hopeful it can pay it from the loan.

Apart from the loan, the government will also spend 56.5 million euros from its own resources for launching the satellite.

Last November, the BTRC signed a \$248-million deal with Thales Alenia Space for the design, manufacture and launch of the satellite.

The satellite project's estimated cost is Tk 2,967 crore, of which Tk 1,314 crore will come from the Bangladesh side.

Officials said the cost would come down ultimately as the BTRC has received offers lower than the price estimated two years ago.



BANGABANDHU-1

AT A GLANCE

- To be launched on Dec 16, 2017
- Deal signed on Nov 11, 2015
- Estimated costs Tk 2,967.96cr
- Govt will bear Tk 1,314.56cr
- Foreign loan Tk 1,653.40cr

- French company Thales Alenia Space will manufacture and launch the satellite
- Different equipment of the satellite is already being manufactured
- The satellite can serve Middle-East, South and Southeast Asian countries
- It will be launched by SpaceX of the USA from Florida's Cape Canaveral station

Mahmood said Thales Alenia Space has started manufacturing different parts of the satellite, and by the end of October it will start assembling it.

He said a team from the BTRC will go to France for attending the final meeting on the satellite design.

Thales Alenia Space will take a year to assemble the satellite and is scheduled to hand it over to the BTRC by November 2017.

Then, the BTRC will have to take it to Florida's Cape Canaveral for the launch. Meanwhile, the telecom regulator is working

to form a public limited company named Bangladesh Satellite Communication Ltd to look after the commercial and broadcast satellite.

Senior officials who are involved with the project said they have received approval from the Office of the Registrar of Joint Stock Companies and Firms for the new entity.

Currently, Bangladesh meets its need for satellite connectivity by renting bandwidth from operators, which costs the country almost \$14 million a year. The satellite will save the money.

READ MORE ON B3

Premier Cement takes up Tk 400cr expansion plan

- Tk 400cr will be invested in expansion
- Daily production capacity will be increased to 16,000 tonnes from 6,000 tonnes
- The expansion will be completed by 2018
- The company's net profit stood at Tk 40.39cr at the end of 2015



SARWAR A CHOWDHURY

Premier Cement Mills plans to double its production capacity with an approximate investment of Tk 400 crore to meet the growing demand for the construction material.

The company's current production capacity is 6,000 tonnes a day, which will be increased to 16,000 tonnes through the expansion plan approved yesterday at a board meeting.

The cement industry is growing by around 22.5 percent a year, mainly driven by infrastructure development, said Md Shafiqul Islam Talukder, chief financial officer of Premier Cement.

"So, we want to increase our production volume as well as the market share."

The expansion, which will be completed by 2018, will also help the listed cement manufacturer to make more revenue and profit, he said.

Of the expected investment of Tk 400 crore, Tk 209 crore will be used for machinery and equipment import and the remaining Tk 191 crore for construction and other local purposes.

Commercial production at the extended unit can be started soon after the completion of the expansion by 2018, Talukder said.

With 30 cement manufacturers around, the country has an installed production capacity of 3.5 crore tonnes a year at present against the local demand of around two crore tonnes.

Although local production is enough to meet the current demand, the country's per capita cement consumption is only around 105 kilograms, which is 215kg in India, 310kg in Sri Lanka, 170kg in Pakistan, 320kg in Malaysia and 1,700kg in China.

Premier Cement traded between Tk 89.8 and Tk 91.5 per share on the Dhaka Stock Exchange yesterday before closing at Tk 91.

The company's net profit stood at Tk 40.39 crore at the end of 2015 and basic earnings per share Tk 3.83, down from Tk 50.41 crore and Tk 4.78 respectively a year earlier.

Sponsors own an 86.08 percent stake in Premier Cement, institutional investors 6.66 percent, foreign investors 0.03 percent and the general public 7.23 percent.

Pay heed to youth labour force to fight militancy: economist

STAR BUSINESS REPORT

Bangladesh should pay heed to the needs of the youth labour force and meet their expectations in a rapidly changing world to fight militancy, a noted economist said yesterday.

"We need to worry about the vulnerable non-poor, especially the problem of the youth labour force belonging to a group, in terms of meeting their new expectations and extremism," said Binayek Sen, research director of the Bangladesh Institute of Development Studies (BIDS).

By vulnerable non-poor, he meant people whose per capita income stands between \$1 and \$2 a day; they form 39 percent of the population.

The economist made the remarks at a national dialogue on the role of the budget and other policy frameworks in cutting inequality and poverty at Sonargaon Hotel in Dhaka.

The All Party Parliamentary Group organised the programme in association with Oxfam, an alliance of international non-governmental organisations.

Bangladesh has a large young and productive workforce that will continue to increase until 2030.

Of the country's 16 crore population, 10.5 crore are between 15 years and 64 years of age. This age-group would increase to 13 crore by 2030, said the United Nations Development Programme in April.

Every year, 20 lakh people join the labour force. But only some six lakh jobs were created in the last two years, which should have actually been 26 lakh. Nearly 74 percent of the jobless people are young.

The government should also think about the stubborn pockets of poverty caused by river erosion and such in the areas of haors and hill tracts, the economist added.

Speaking at the event, Finance Minister AMA Muhith said population control is a big problem in the way towards development. Hence, focus should be on family planning.

Strict measures should be taken to keep the population of the country within 20 crore, he added.

The minister said social safety net programmes in Bangladesh are the best in the world. The safety net money reaches the beneficiaries through banks and no pilferage is reported in this area, he added.

Muhith said electronic systems have to be introduced in all transactions, payment and trading to cut corruption.

"To reduce corruption, we have enacted various laws, and the Anti-Corruption Commission has been restructured but it could not make much progress."

The finance minister said a college in Sylhet introduced an online admission system, which resulted in a hike in its annual income -- from Tk 8 lakh to Tk 83 lakh.

Abdur Razaque, chairman of the parliamentary standing committee on the finance ministry, said food production increased in Bangladesh but the farmers are not getting fair prices for their produce.

It cost Tk 700 to produce a maund (37.32 kilograms) of rice this year, but depending on varieties, farmers got Tk 450 to Tk 650 a maund during the harvesting period.

READ MORE ON B3

Ifad to start auto assembly in Sep



Heavy buses and trucks of Ashok Leyland, a leading Indian automobile manufacturer, will now be assembled in Bangladesh by Ifad Autos.

SAJJADUR RAHMAN

Ifad Autos, which is building the country's largest auto assembly plant at Tk 90 crore, is expected to roll out its first vehicle in September.

Initially, the plant aimed to assemble 4,000 trucks and buses a year, but revised the annual target higher at 7,000 vehicles, buoyed by the growth of the local market.

"We expect to launch our first product in September this year," said Taskeen Ahmed, managing director of Ifad Autos, a unit of Ifad Group that has presence from fast-moving consumer goods to agro-products and chemicals.

Primarily, the plant will assemble heavy buses and trucks of Ashok Leyland, a leading Indian automobile manufacturer.

Ifad, which was previously Ashok Leyland's sole distributor in Bangladesh for about three decades, is now its strategic partner in the

country.

Ifad provides a full line of heavy duty trucks, buses and special service vehicles from Ashok Leyland of India.

Ashok Leyland is concentrated on heavy buses and trucks. It has presence in the entire truck range, starting from 7.5 tonnes to 49 tonnes.

Recently, the company has tied up with Nissan Motors of Japan to make light commercial vehicles or LCVs of less than 7.5 tonnes.

"We will also assemble and sell LCVs here," said Ahmed, who is also the president of the India-Bangladesh Chamber of Commerce and Industry.

With the consistent economic growth of over 6 percent for the last one decade, Bangladesh is becoming an emerging market for the transport sector.

About 12,000 trucks of 3.5 tonnes to 7 tonnes are sold a year in Bangladesh, according to industry

insiders.

In addition, several thousand pickups, which carry 1 to 2 tonnes of goods, are sold a year, they added.

Ashok Leyland and Tata dominate Bangladesh's commercial vehicle market, with 35 percent market share each.

In the bus segment, Ashok Leyland is the market leader in Bangladesh.

Until recent years, Japan-made LCVs dominated the market, but now the vehicles manufactured by Tata have become the market leader.

Ifad also aims to capture the body building market of all sorts of vehicles, from cars to LCVs and heavy vehicles of different brands.

"We will be able to make a body of a heavy bus or truck in just six days at our plant instead of several months presently required by others," Ahmed told The Daily Star by phone yesterday.

READ MORE ON B3

NBR to discuss new VAT law with businesses

SOHEL PARVEZ

The National Board of Revenue plans to sit with businesses to resolve disputes related to the new VAT and Supplementary Duty law to ensure implementation of the law from July next year, officials said.

"We will have close and in-depth discussion with businessmen by the end of August," NBR Chairman Md Nobjibur Rahman told The Daily Star.

The revenue authority takes the initiative after the government backtracked on its plan to enforce the new VAT law from the start of the current fiscal year amid resistance from businesses and a section of revenue officials and inadequate preparation by the NBR.

The law to be implemented under an automated platform envisages a 15 percent flat VAT instead of various types of VAT rate now in effect under the VAT Act 1991.

The Federation of Bangladesh Chambers of Commerce and Industry has long been demanding inclusion of its recommendations in the new law.

The apex trade body says businesses, particularly small and medium enterprises, will be affected if the law is implemented without addressing their concerns.

The FBCCI demands inclusion of the recommendations of a panel formed by the government in 2014 with representatives from businesses and the NBR.

The panel suggested multiple rates of VAT on goods and services instead of the universal rate of 15 percent.

The government formed the committee to review the law in the face of criticism from businesses that their recommendations and concerns were not reflected in the VAT law.

The FBCCI in its recommendations demanded reduction of the turnover tax rate to 0.5 percent from 3 percent and raising the upper limit of annual turnover for firms to Tk 5 crore from Tk 80 lakh.

"We will sit with them to discuss their proposals and decide which proposals are acceptable and which are not," said a senior official of NBR, asking not to be named.

"We want to come to a decision to ensure that the law is implemented in the next fiscal year without any confrontation."

He said the new law may need amendment after consultation with businesses.

"We want to be fully ready with everything by December this year."

To start implementing the law, the NBR plans to launch online registration of business identification numbers (BINs) for firms in August.

Once the new VAT law comes into effect, firms will have to get nine-digit BINs by signing up online, which will replace the present 11-digit ones.

The official said there are 840,000 BINs in the NBR database and many of those are fake and inactive.

The fresh BINs will enable the revenue authority to get the actual number of VAT payable entities.

The NBR also plans to start testing the online return filing system from October this year as part of its preparation to introduce an online VAT system under the new law.

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